



February 21, 2013
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U.S. Nuclear Regulatory Commission
Director, Office of Nuclear Material
Safety and Safeguards
Attn: Document Control Desk
Washington, D.C. 20555-0001

Gentlemen:

Subject: Update on Status of Lagoon Uranium Recovery/Solids Processing Facility (LUR/SPF) at AREVA NP Inc.'s Richland, Washington Site; License No. SNM-1227; Docket No. 70-1257

Ref. 1: Letter, RE Link to USNRC Document Control Desk; Request to Postpone Initiation of Decommissioning for Two Facilities at AREVA NP Inc.'s Richland, Washington Site; License No. SNM-1227, Docket No. 70-1257; October 13, 2008.

Ref. 2: Letter, RL Rodriguez to RE Link; Approval of Request to Postpone Decommissioning of Two Buildings at the AREVA NP, Inc. Richland, Washington Facility (TAC L32804); April 23, 2009.

Via Reference 1, AREVA NP Inc. (AREVA) requested NRC approval of a request to postpone decommissioning of two facilities on its Richland site in accordance with the provisions of 10 CFR 70.38(f). Via Reference 2, NRC approved AREVA's request. The purpose of this correspondence is to inform the NRC of a change in operational status of one of those facilities, namely the combination Lagoon Uranium Recovery/Solids Processing Facility (LUR/SPF), and to reaffirm AREVA's desire to postpone decommissioning of this facility until final Richland site decommissioning.

At the time of AREVA's Reference 1 request, the LUR portion of the LUR/SPF had undergone removal of its original surface impoundment (lagoon) liquid processing equipment and that equipment had been replaced with equipment supporting a powder blending/milling operation whereby natural uranium was to be blended with dysprosium oxide, a burnable neutron poison additive. The project proceeded through AREVA's formal startup approval process; radioactive materials were introduced to allow for limited operations startup testing; and a radionuclide air emissions license was acquired from the Washington Department of Health to allow for full-scale operations.

Shortly after the introduction of radioactive materials into the blended dysprosium-uranium (BDU) process equipment, AREVA's customer for the BDU product placed the project on indefinite hold pending the resolution of regulatory issues within its home country (Canada) where the BDU fuel was to be utilized (April 2009). The BDU process

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was maintained in a standby readiness mode until December 2010, at which time AREVA's customer informed AREVA that the project had been officially terminated. An engineering change notice (ECN) was issued in April 2011 for removal of the BDU equipment. Completion of the equipment removal project was achieved in December 2011.

The former LUR, and then BDU, portion of the LUR/SPF has been decontaminated to the status of a clean radioactive materials storage area; the area receives continued coverage under the site's radiation/radioactive contamination survey program and remains on the list of areas to be decommissioned. The area currently requires no protective clothing for entrance. Equipment in the SPF portion of the facility, formerly devoted to processing of sludges from AREVA's former surface impoundment system, remains in place but has been emptied of its inventory and rinsed. The SPF portion of the facility remains under active contamination control.

Despite termination of the BDU initiative, AREVA's desire to postpone decommissioning of the LUR/SPF facility remains unchanged; justifications remain consistent in principle with those provided for the LUR/SPF and Fuel Services Building (FSB) in Reference 1. Most notably:

- LUR/SPF remains a fully functional and well-equipped facility within the Richland fuel fabrication complex, complete with HEPA-filtered exhaust, full industrial utilities, and excellent access. Due to its history of housing principal activities and its strategic capabilities for future missions, AREVA wishes to maintain this facility as a potential location for future plant fuel fabrication and/or fuel fabrication-support activities. Decontamination of LUR/SPF to meet decommissioning criteria in light of the high probability for future SNM-related activities in this area would needlessly expend resources and create decommissioning-related wastes in need of disposition.
- The facility is being fully maintained in a manner to preserve its readiness for future periodic or long-term SNM-related activities. The decontaminated former LUR/BDU portion of the facility is currently being actively utilized as a storage facility for production-support equipment. As previously noted, residual equipment in the SPF portion of the building has been emptied of its inventory and appropriately rinsed. Ultimate decommissioning of the entire facility will not be significantly more complex at a later date.
- The LUR/SPF is included as a Production Support (Ancillary) facility in AREVA's NRC-approved Decommissioning Funding Plan (E06-04-007, Version 4.0; July 2009). A triennial update to that plan was submitted to the NRC in January 2012 (Version 5.0). The DFP conservatively assumes that decommissioning of LUR/SPF will involve removal/disposal of all contaminated equipment plus decontamination of the facility and supporting structures. Escalation of decommissioning costs for the facility over time will track with contaminated equipment inventory and general escalation in labor and waste disposal rates.

AREVA stays current with these drivers via updates to its DFP and associated cost estimate in compliance with 10 CFR 70.25(e). No other extraordinary factors are foreseen that will increase LUR/SPF decommissioning costs over the period prior to ultimate decommissioning.

AREVA currently provides financial assurance for decommissioning via an irrevocable standby letter of credit and associated standby trust agreement, as provided for in 10 CFR 70.25(f)(2). The amount of financial assurance is revised in accordance with updated decommissioning cost estimates.

- The LUR/SPF remains subject to the full scope of AREVA's operational radiation, criticality, chemical, environmental, and fire safety programs, as applicable. These efforts, aimed at occupational and environmental ALARA, will remain sufficient to protect public and worker health and safety and the environment.

As supported by AREVA's original Reference 1 request and this current facility status update, LUR/SPF remains a key facility in the AREVA Richland site's fuel fabrication mission. The facility is being appropriately maintained, does not pose undue radiological risk to the public or the environment, and will not be measurably more complex to decommission at a later date. The facility's current status is consistent with the NRC's prior determination (Reference 2) that decommissioning of this facility with other areas of the AREVA site at termination of licensed activities is protective of the public's interests.

If you have questions about the current status of LUR/SPF relative to decommissioning, please feel free to contact me on 509-375-8409.

Very truly yours,



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Environmental, Health, Safety, & Licensing

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